

STATE OF SOUTH CAROLINA

(Caption of Case)

May River Subdivision in Bluffton, South  
Carolina Rate Increase

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

COVER SHEET

DOCKET  
NUMBER: 2007-319-W

(Please type or print)

Submitted by: Thomas A. Smith III  
Address: 621 Stephenson Ave  
P. O. Box 13705  
Savannah, GA 31416

SC Bar Number: \_\_\_\_\_  
Telephone: 912-352-9339  
Fax: 912-355-4466  
Other: \_\_\_\_\_  
Email: \_\_\_\_\_

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition      ☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other: Rate increase for May River Subdivision

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input checked="" type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input checked="" type="checkbox"/> Water	<input checked="" type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

RECEIVED  
SEP 04 2007  
PSC SC  
MAIL / DMS

*South Atlantic Utilities*  
PO Box 14111  
Savannah, GA 31416

COPY  
Filed: Duke  
Date: SA-075  
9-4-07  
9:45

108068  
CBA  
C8

August 28, 2007

Public Service Commission  
State of South Carolina  
Docketing Department  
PO Drawer 11649  
Columbia, SC 29211

2007-319-W

Subject: South Atlantic Utilities- May River Plantation Subdivision water system

Ms Jocelyn Boyd:

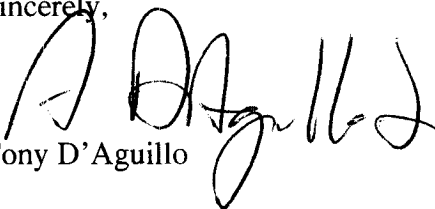
Ma'am,

Enclosed with this letter, you will find the most recent piece of correspondence I have from the South Carolina DHEC. The letter releases us from a consent order and shows us as being in compliance. I am also enclosing a letter that they showed us how to calculate Drinking Water Fees. I have no letter that says specifically that it is a letter of approval, but I hope that these letters show that DHEC is tracking us as in compliance, and wishes us to continue to charge approved rates.

Should you need any more information, or have any more instruction for me, please call me at any time at (912) 352-9339. Also, Karen Ramos at DHEC [(803) 898-3432] is familiar with our water system and should be able to provide any further information you would need.

Thank you for your help.

Sincerely,

  
Tony D'Aguillo

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SEP 04 2007  
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BOARD:  
Elizabeth M. Hagood  
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Edwin H. Cooper, III  
Vice Chairman  
Steven G. Kisner  
Secretary



C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment*

BOARD:  
Henry C. Scott  
Paul C. Aughtry, III  
Glenn A. McCall  
Coleman F. Buckhouse, MD

May 31, 2007

**CERTIFIED MAIL 7006 0810 0003 6041 9384**  
**RETURN RECEIPT REQUESTED**

South Atlantic Utilities, LLC  
Attn: Don Smith  
PO Box 14111  
Savannah, GA 31416

Re: Consent Order # 07-076-DW  
South Atlantic Utilities, LLC  
May River Plantation  
Public Water System No. 0750005  
Beaufort County

Dear Mr. Smith:

Please find enclosed a copy of the fully executed South Carolina Department of Health and Environmental Control (Department) Consent Order # 07-076-DW. The execution date of this Consent Order is May 29, 2007.

According to Department records, check # 5200 in the amount of two thousand five hundred fifty dollars (\$2550.00) was received on May 17, 2007, and was forwarded to the Department's Finance Office for final disposition.

At this time, the requirements of Consent Order # 07-076-DW have been met and the Order will be closed. Thank you for your cooperation in this matter.

If you have any questions concerning this matter, please contact me at (803) 898-4271 or email at [ramoskl@dhec.sc.gov](mailto:ramoskl@dhec.sc.gov).

Sincere Regards,

Karen L. Ramos, Manager  
Drinking Water Enforcement Section  
Bureau of Water

Enclosure

cc: Penny Cornett, P.E., SCDHEC Region 8 Beaufort Office  
Main



South Carolina Department of Health  
and Environmental Control

APRIL 16, 2007

MAY RIVER PLANTATION (0750005)  
DON SMITH, SOUTH ATLANTICE UTILITIES  
PO BOX 14111  
SAVANNAH, GA 31416

**Drinking Water Fee Sample Calculation Sheet**

1. Enter the current number of Taps on your system: ..... 27

Use Table 1:

2. Enter the value from column 'A' that corresponds with the number in line 1:.....	250.00
3. Enter the range value from column 'B' that corresponds with the number in line 1:.....	25
4. Subtract line 3 from line 1: .....	2.00
5. Enter the value from column 'C' that corresponds with the number in line 1: .....	6.75
6. Multiply line 4 by line 5: .....	14.00

Use Table 2:

7. Enter the value from Table 2 that corresponds with the number in line 1: ..... 175.00

Use Table 3:

8. Enter the number of groundwater sources that provide water to your system on a permanent basis:.....	1
9. Enter the value from column 'D' that corresponds with the number in line 1:.....	450.00
10. Multiply line 8 by line 9: .....	450.00
11. Enter the number of surface water sources that provide water to your system on a permanent basis: .....	0
12. Enter the value from column 'E' that corresponds with the number in line 1:.....	.00
13. Multiply line 11 by line 12: .....	.00
14. Add line 10 and line 13: .....	450.00
15. Enter the value of line 14: or 7,500.00 whichever is less: .....	450.00
16. Total Fee Due: Add lines 2, 6, 7 and 15: .....	889.00

\*\* Use whole numbers. If >.50 round up. If < .50 round down. \*\*

MAY RIVER PLANTATION (0750005)  
DON SMITH, SOUTH ATLANTICE UTILITIES  
PO BOX 14111  
SAVANNAH, GA 31416

BOARD:  
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Secretary



C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment.*

BOARD:  
Henry C. Scott  
Paul C. Aughtry, III  
Glenn A. McCall  
Coleman F. Buckhouse, MD

BUREAU OF WATER

To: Owners/Operators of Community (C) and Non-Transient, Non-Community  
(P) Public Water Systems

RE: Projected Fee for Fiscal Year 2008

Date: April 16, 2007

Enclosed is a completed Department of Health and Environmental Control Drinking Water Fee Calculation Form. The completed form contains your **proposed projected fee** for FY 2008 (July 1, 2007 - June 30, 2008). The fee (line 16) was calculated based on the number of taps and permanent water sources for your public water system. Please review the information contained on this form.

**IF YOU DO NOT AGREE** with either the number of taps (line 1), the number of permanent groundwater sources (line 8), or the number of permanent surface water sources (line 11), please **correct and sign** the enclosed form and return it to the address listed below by May 20, 2007.

Attention: Marty E. Chaney  
SC DHEC - Bureau of Water  
2600 Bull Street  
Columbia, SC 29201

Any discrepancies will be forwarded to the appropriate Environmental Quality Control District Office for confirmation.

**IF YOU AGREE** with the information on the calculation form, **no further action is necessary.**

**PLEASE NOTE: THE ENCLOSED FORM IS NOT AN INVOICE.** Invoices for FY 2008 will be mailed on or about July 21, 2007. **Please do not forward your payment until the invoice is received.**

Thank you for your cooperation in the matter. If you have any questions concerning the form or the contents of this letter, please contact Marty Chaney at (803) 898-3554.

Enclosure: Drinking Water Fee Calculation Sheet

*South Atlantic Utilities, Inc.*

621 STEPHENSON AVENUE  
P. O. BOX 13705  
SAVANNAH, GEORGIA 31416  
(912) 354-6296

August 21, 2007

Ms. Jocelyn G. Boyd, Deputy Clerk  
The Public Service Commission  
State of South Carolina  
P.O. Drawer 11649  
Columbia, SC 29211

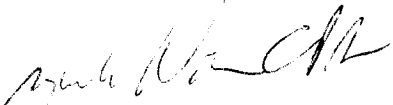
Dear Ms. Boyd:

In response to our conversation today, I have enclosed are depreciation schedule for the May River system that our Company purchased in 1972. As this was a purchase made over thirty years ago we have no records of the amounts that need to be divided into the plant categories. We did meter the system in 1992 to comply with the need to monitor water usage. Hopefully this will comply with your requirements.

If I can be of any further assistance, please feel free to contact me or my assistant, Ms. Allison Chumley.

Your help in expediting this request is most appreciated.

Sincerely,



Jacquelyn P. Watson, CPA

RECEIVED

SEP 04 2007

PSC SC  
MAIL / DMS

8/21/2007  
10:52

**SOUTH ATLANTIC UTILITIES, INC.**  
Federal ID #: 58-1086412  
Asset Summary - Book Basis  
Period Ended 12/31/06

Company: D01  
Page: 1

<u>Num</u>	<u>Loc</u>	<u>Property Description</u>	<u>Acquired</u>	<u>T</u>	<u>Method</u>	<u>Life</u>	<u>Cost/Basis</u>	<u>179 Exp/AFD</u>	<u>Add SDA</u>	<u>Prior Depr.</u>	<u>Current Depr.</u>	<u>Ending Depr.</u>
Group # 16 MAY RIVER												
1	6	MAY RIVER	01/01/72	N	200 DB	40	6,978.00	0.00	0.00	6,156.00	126.00	6,282.00
2	6	IMPROVEMENTS	01/01/73	N	SL	40	5,387.00	0.00	0.00	4,353.00	135.00	4,488.00
3	6	METERS	07/01/92	N	SL	20	273.00	0.00	0.00	189.00	14.00	203.00
Group # 16 Total							<u>12,638.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,698.00</u>	<u>275.00</u>	<u>10,973.00</u>
Grand Total							<u>12,638.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,698.00</u>	<u>275.00</u>	<u>10,973.00</u>

Exhibit 1

Due to the fact that South Atlantic Utilities, Inc has operated the May River Plantation Community water system at a loss for 2006, a rate increase is needed to insure a positive return on investment.



MAY RIVER PLANTATION  
INCOME STATEMENT FYE DEC 2006

REVENUE:

Customer Billings	8,951
Tap Fees	<u>500</u>

TOTAL REV 9,451

EXPENSES:

Electricity	804
Meter Reading	600
Taxes	69
Licenses	200
Depreciation	275
Lab Fees	870
Drinking Water	889
OH Allocation	<u>6,999</u>

TOTAL EXP 10,706

NET INCOME (LOSS) \$ (1,255)

### Exhibit 3

The proposed rate schedule would be \$34.00 for 10,000 gallons per month and:

\$2.00 per 1000 gallons up to 20,000 gallons

\$2.50 per 1000 gallons for 20,000 gallons to 40,000 gallons

\$3.00 per 1000 gallons beyond 40,000 gallons

### Exhibit 4

The proposed test year would be 2006

MAY RIVER PLANTATION  
**PRO FORMA** INCOME STATEMENT FYE DEC 2006

REVENUE:

Customer Billings	13,534
Tap Fees	<u>500</u>

TOTAL REV 14,034

EXPENSES:

Electricity	804
Meter Reading	600
Taxes	69
Licenses	200
Depreciation	275
Lab Fees	870
Drinking Water	889
OH Allocation	<u>6,999</u>

TOTAL EXP 10,706

NET INCOME (LOSS) \$ 3,328

**MAY RIVER PLANTATION  
BALANCE SHEET  
December 31, 2006**

**ASSETS**

**Fixed Assets**

May River Water System	6,978
Improvements	5,387
Meter Installation	273
Less: Accumulated Depreciation	<u>(10,973)</u>

**Total Assets**

1,665

**EQUITY**

**Owners Equity**

1,665

**Total Equity**

1,665

Exhibit 8

Presently the number of customers in May River Plantation is 26 and South Atlantic Utilities expects that number to remain the same

MAY RIVER OH ALLOCATION - FYE DEC 2006

TOTAL OP EXP	907,612
LESS DIRECT EXP	<u>(3,707)</u>
	903,905

TOTAL SAU CUST	3,358
----------------	-------

MAY RIVER CUST	26
----------------	----

OH ALLOCATION	6,999
---------------	-------

MAY RIVER PLANTATION  
INCOME STATEMENT FYE DEC 2006

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
REVENUE:													
Customer Billings	838	623	623	624	624	728	728	896	896	820	820	731	8,961
Tap Fees	-	-	500	-	-	-	-	-	-	-	-	-	500
TOTAL REV	838	623	1,123	624	624	728	728	896	896	820	820	731	9,461
EXPENSES:													
Electricity	44	39	38	46	75	92	78	91	77	75	77	72	804
Meter Reading	50	50	50	50	50	50	50	50	50	50	50	50	600
Taxes	-	-	-	-	-	69	-	-	-	-	-	-	69
Licenses	-	-	-	-	-	200	-	-	-	-	-	-	200
Depreciation	-	-	-	-	-	-	-	-	-	-	-	275	275
Lab Fees	30	90	30	60	-	30	200	100	100	30	-	200	870
Drinking Water	-	-	-	-	-	-	-	889	-	-	-	-	889
OH Allocation	583	583	583	583	583	583	583	583	583	583	583	583	6,999
TOTAL EXP	707	762	701	739	708	1,024	911	1,713	810	738	710	1,180	10,706
NET INCOME (LOSS)	131	(139)	422	(115)	(84)	(296)	(183)	(817)	86	82	110	(449)	\$ (1,255)

C. DUKES SCOTT  
EXECUTIVE DIRECTOR

P.O. Box 11263  
Columbia, S.C. 29211



Phone: (803) 737-0800  
Fax: (803) 737-0801

DAN F. ARNETT  
CHIEF OF STAFF

KATIE C. MORGAN  
DIRECTOR  
TELECOMMUNICATIONS, TRANSPORTATION, WATER/WASTEWATER

May 8, 2007

Mr. Don Smith  
SOUTH ATLANTIC UTILITIES, INC.  
Post Office Box 13705  
621 Stephenson Ave  
Savannah, Georgia 31416

Re: South Atlantic Utilities, Inc., Performance Bond Compliance Requirement

Dear Mr. Smith:

This is to acknowledge receipt of your performance bond agreement and financial statement to update the requirements of your performance bond. R.103-712.3 (for water) of the Regulations requires a current Performance Bond(s) to be on file with the Commission.

If you have any questions regarding this matter, please contact me at (803) 737-0827 or Ms. Dawn Hipp at (803) 737-0814.

Sincerely,

Willie J. Morgan, P.E.  
Program Manager for Water and Wastewater  
[wmorgan@regstaff.sc.gov](mailto:wmorgan@regstaff.sc.gov)

EXHIBIT 10



## PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

## FINANCIAL STATEMENT

DO NOT INCLUDE PERSONAL PROPERTY, FURNITURE,  
FIXTURES, JEWELRY OR FAMILY USED AUTOMOBILES

From: Donald S Smith

## Section 1 - Individual Information (Type or Print)

Name: <u>Donald S Smith</u>	Name: <u>Charlene S Smith</u>
Home Address: <u>219 Hillary Road</u>	Home Address: <u>219 Hillary Road</u>
Position or Occupation: <u>Secretary/Treasurer</u>	Position or Occupation: <u>Housewife</u>
Business Name: <u>Smith Atlantic Industries Inc</u>	Business Name:
Business Address: <u>1st Stephenson Ave</u>	Business Address:
No. of Dependents: <u>3</u>	No. of Dependents:

## Section 2 - Spouse Information (Type or Print)

## Section 3 - Statement of Financial Condition as of

1 1 2007

Assets (Do Not Include Assets of Doubtful Value)	In Dollars (Omit Cents)	Liabilities	In Dollars (Omit Cents)
Cash: in Bank	39,000	Notes Payable: to banks	\$
on hand and in other banks		to others from Schedule F	
savings accounts in bank and savings & loans			
Securities: listed & OTC from Schedule A		Mortgage Debt: from Schedule D	85,000
unlisted from Schedule B			
held by brokers in margin accounts	26,970.5		
restricted or controlled stock	5,100.074		
Real Estate: partial interest in real estate from Schedule C	157,000.00	Other Debts: accounts & bills due	
real estate owned from Schedule D	6,000.00	unpaid taxes	
Other Assets: loans receivable (details below if significant)		other debts - itemize	
autos & personal property			
cash (not face) value life insurance - Schedule E			
other assets - itemize			
Profit Sharing Plan	6,500	Total Liabilities	85,000
		Net worth (total assets minus total liabilities)	65,034.00
	286,000	Total Liabilities and net worth	151,034.00

Sources of Income for Year Ended:

1/1/2007

Personal Information:

Salary:	\$ 52,000	Are you a partner or officer in any other venture? If so, please describe.
Bonuses & Commissions		<u>Chatham Water Co</u>
Dividend & Interest		<u>Middle Georgia Power Co</u>
Real Estate Income		Are you obligated to pay alimony, child support, or separate maintenance payments? If so, please describe.
Other Income (alimony, child support, or separate maintenance income need not be revealed unless you want bank to consider it)		<u>NA</u>
Management Fees	112,000	Are any assets pledged other than as described on schedules? If so, please describe.
Distribution Partnership	122,000	<u>NA</u>
Total	\$ 286,000	Income tax settled through (date) <u>12/31/06</u>
Contingent Liabilities	<u>Water Company Notes</u> 220,337.9	Are you a defendant in any suits or legal actions? If so, please describe.
Do you endorse, co-make or guarantee any loans or have any other contingent obligations? If so, list below	<u>Various Bank BOAT SunTrust</u>	<u>NA</u>
Endorser, co-maker or guarantor	<u>Don Smith</u> \$ 220,337.9	Personal bank accounts are carried at: <u>BB-T</u>
Leases or contracts		Have you ever been declared bankrupt? If so, please describe.
Legal claims		<u>NA</u>
Other special debts	220,337.9	

### Schedule A - Listed & Over the Counter Securities

Number of Shares or Face Value of Bond	Description	In Name of	To Whom Pledged	Market Value	
				Per Share	Total
				Total	

**Schedule B - Unlisted Securities (if value significant, please provide financial information)**

Number of Shares		Description	In Name of	To Whom Pledged	Source of Value	Value
Owied	Outstanding					
						Total

### Schedule C - Partial Interest In Real Estate Equities

[illegible]

### Schedule D - Real Estate Owned

Address & Type of Property	Title in Name of	Date Acquired	Cost	Mortgage		Market Value
				Amount	Maturity	
21A Hilling Rd	Donald & Charlene Smith	1990	300,000	85,000	2020	600,000
			Total	85,000	Total	600,000

## Schedule E - Life Insurance Carried Including Any Group Insurance

Name of Insurance Company	Owner of Policy	Beneficiary	Face Amount	Policy Loans	Cash Surrender Value

**Schedule F - Notes Payable to Others & Financial Institutions Where Credit has been Obtained**

Name of Address of Lender	Credit in Name of	Secured or Unsecured	Original Date	High Credit	Current Balance
Total					

STATE OF: South  
COUNTY OF: \_\_\_\_\_

being duly sworn, deposes and says that the foregoing financial statement, taken from his books, is a true and accurate statement of his financial condition as of the date thereof and that the answers to the foregoing interrogatories are true.

Sworn to before me this

7th day of May, 2007

Notary Public

Cebele Nichols

CEBELE NICHOLS  
Notary Public, Chatham County, Ga  
My Commission Expires October 21, 2007

[Signature]

(Applicant must sign here)

Date Signed 5/7/07 Soc. Sec. No. [REDACTED]

(Applicant must sign here)

Date Signed 5/7/07 Soc. Sec. No. \_\_\_\_\_

## ASSETS

## CURRENT ASSETS

## CASH IN BANK AND BROKERAGE HOUSES

39,000

39,000

**TOTAL CURRENT ASSETS**

## INVESTMENTS

## RESIDENTIAL REAL ESTATE

600,000

# BOAT

16,000

WATER SYSTEM NET (see Schedule A)

5,100,094

## CULVER RUG COMPANY PROFIT SHARING PLAN

6,500

INVESTMENT REAL ESTATE (see Schedule B)

573.101

# TASTECH

269,705

## TOTAL INVESTMENTS

6,565,400

## OTHER ASSETS

30,000

**TOTAL ASSETS**

\$ 6,634,400

## LIABILITIES & NET WORTH

## LIABILITIES

RESIDENCE MORTGAGE

85,000

**TOTAL LIABILITIES**

\$ 85,000

## NET WORTH

\$ 6,549,400

Donald S. Smith

**CONTINGENT LIABILITIES & SOURCES OF INCOME**  
as of JANUARY 1, 2007

**CONTINGENT LIABILITIES**

WATER SYSTEM NOTES

(2,203,379)

**TOTAL CONTINGENT LIABILITIES**

\$ (2,203,379)

**MANAGEMENT FEES**

**DISTRIBUTIONS**

111,700

120,260

112,000

122,000

Donald S. Smith  
**SCHEDULE A - WATER SYSTEM VALUATION & DEBT**  
as of JANUARY 1, 2007

WATER SYSTEMS			MORTGAGE BALANCE DEDUCTIONS FROM			
WATER SYSTEM	PERCENTAGE	NUMBER OF CUSTOMERS	VALUATION	DEBT	NET VALUE	NET VALUE
CHATHAM WATER COMPANY \$2,700/customer	12%	938	\$303,912	(\$16,931)	\$286,981	\$26,640
SOUTH ATLANTIC UTILITIES \$2,700/customer	24%	3,811	\$2,469,528	(\$462,364)	\$2,007,164	\$99,480
MIDDLE GA WATER COMPANY \$2,700/customer	33%	2,704	\$2,409,264	(\$1,028,318)	\$1,380,946	\$71,240
COASTAL GA WATER COMPANY \$2,700/customer	49%	1,603	\$2,120,769	(\$695,766)	\$1,425,003	\$31,600
TOTAL			\$5,303,473	(\$2,203,379)	\$3,100,094	\$128,960

Donald S. Smith  
SCHEDULE B - REAL ESTATE INVESTMENTS  
as of JANUARY 1, 2007

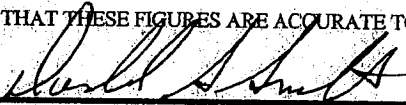
SMITH AND GILES BRYAN COUNTY ACREAGE 16.2 acres	50%	\$225,000	(\$70,252)	\$154,748	\$0
SMITH AND PARRISH Grey Rock Development (N. Carolina)	50%	\$125,000	(\$110,000)	\$15,000	\$0
SMITH AND GREEN 1705 Butler	50%	\$217,500	(\$167,500)	\$50,000	\$0
GRAY ROCK, NC acreage	100%	\$150,000	(\$150,000)	\$0	\$0
COMMERCIAL REAL ESTATE Hardee's -- Mall Blvd.	10%	\$70,000	(\$54,743)	\$15,257	\$51,257
TYBEE INVESTORS 114 Jones Street	33%	\$133,000	(\$43,698)	\$89,302	\$5,000
TYBEE INVESTORS 108 Jones Street	33%	\$100,000	\$0	\$100,000	\$0
TYBEE INVESTORS 621 Stephenson Ave. Office building U/C	33%	\$400,000	(\$276,302)	\$123,698	\$20,000
TYBEE INVESTORS Ranger Street	33%	\$25,000	\$0	\$25,000	\$0
TYBEE INVESTORS 1301 E. 71st. Street	33%	\$24,750	(\$24,653)	\$97	(\$572)

# ***Financial Statements***

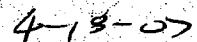
**Donald S. Smith**

**January 1, 2007**

I CERTIFY THAT THESE FIGURES ARE ACCURATE TO THE BEST OF MY KNOWLEDGE



DONALD S. SMITH



DATE



## 11: Service Area Map



WHALLEY & ASSOCIATES  
ENGINEERS, INC.  
12-18-78 *AWB*

MAY RIVER  
water system

125

RECEIVED THE PRESIDENT

NOV 27 1966

64125150

EXHIBIT 1001

SHEET 1 OF 2

[illegible]

## Public Water System OPERATING PERMIT

*Issued in accordance with the provisions of the State Safe Drinking Water Act (SDWA) (S.C. Code Ann. § 44-55-10 et seq., 1976) and the State Primary Drinking Water Regulations (SPDWR) (R.61-58).*

This Permit is Issued to: *DON SMITH d/b/a MAY RIVER PLANTATION*

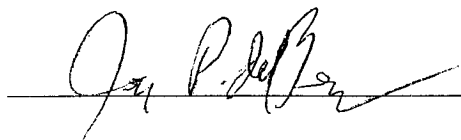
For the Operation of a Public Water System Serving: *MAY RIVER PLANTATION*

County: *Beaufort*

Public Water System Name: *MAY RIVER PLANTATION*

Permit Number: *0750005*

Date of Issuance: *March 2, 2005*



Jeffrey P. deBessonnet, P.E., Director  
Water Facilities Permitting Division

EXHIBIT 13



SOUTH ATLANTIC UTILITIES  
P.O. BOX 13705  
SAVANNAH GA 31416

12 12-25-0020-00 (3)

\* FIRST CLASS MAIL  
\* U. S. POSTAGE PAID  
\* SAVANNAH  
\* PERMIT 06

ACCT. NO. 12-25-0020-00  
SERVICE TO 10 MAY RIVER DR

READ DATE W 08/02/07  
PRESENT READ NO T 683340.0  
PREVIOUS READ NO R 677720.0  
GLS 5620.0

READ DATE  
PRESENT READ NO  
PREVIOUS READ NO

READ DATE  
PRESENT READ NO  
PREVIOUS READ NO

WATER 44.00

AFTER: 10/25/06

PAY ▶

THIS MONTH ▶

AMOUNT DUE ▶

44.00

44.00

PRE SORT-AUTO

CATHARINE GRAHAM  
10 MAY RIVER DR  
BLUFFTON SC 29910-5306



44.00 .66 44.66

NET PENALTY GROSS

RETURN THIS STUB WITH PAYMENT



Exhibit 14

# **WATER UTILITY ANNUAL REPORT OF**

## **South Atlantic Utilities, Inc.**

Exact Legal Name of Respondent

---

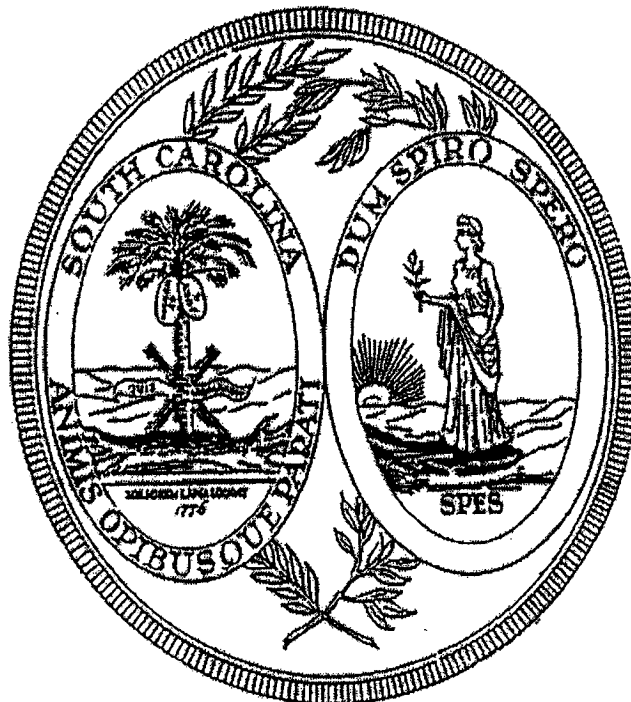
PSC/ORS Number (leave blank)

### **FOR THE YEAR ENDED 2006**

☒ Calendar Year Ending December 31, 2006

or

☐ Fiscal Year Ending \_\_\_\_\_



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## GENERAL INSTRUCTIONS

1. All water utilities are required by state law to complete and file this annual report. Two copies should be mailed to the South Carolina Office of Regulatory Staff, P.O. Box 11263, Columbia, SC 29211 by April 1, 2007. A third copy should be retained by the company for reference. Upon receipt, the Office of Regulatory Staff will forward one copy to the Public Service Commission of South Carolina. Filing two copies with the Office of Regulatory Staff will satisfy the utility's responsibility for submitting an annual report as required pursuant to Commission regulations. Pencil entries will not be permitted on the hard copy.
2. All forms are available in MS Excel on the Office of Regulatory Staff web site at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov).
3. Respond to each item using "0", "none", or "not applicable" as appropriate.
4. Requests for extension must be in writing to the Office of Regulatory Staff, P.O. Box 11263, Columbia, SC 29211. Extension requests postmarked after April 1, 2007 will be denied.
5. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by this Commission, as set forth in S.C. Code Ann. Section 58-5-220 and Commission regulation 103-719.
6. Standard accounting procedures will apply in determining the nature of any entry (e.g. entries of a reverse character will be indicated by a parentheses around the number).
7. The report will be filed consisting of data relative to a calendar year basis or the company's fiscal year, but not both.
8. If this report is made for a period less than the calendar year or fiscal year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where it is necessary to include the period covered. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes).
9. All instructions should be followed and each question should be answered fully and accurately. Sufficient answers are those in which no question or schedule has been overlooked. The expression "none" or "not applicable" should be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. In any instance where information called for is not given, the reason for its omission should be stated fully.
10. Dates, when called for, should include the day, month and year. Customary abbreviations may be used in stating dates.
11. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year; otherwise, an appropriate explanation of why different figures were used should be given.
12. One copy of the respondent's latest corporate annual report, if issued, should be submitted with this report. If the respondent is a member of a group, both the parent and subsidiary's corporate annual report should be submitted.

**GENERAL INSTRUCTIONS**  
**(Continued)**

13. Throughout this report, money items will be rounded to the nearest dollar.
14. Failure to comply with the submission of the annual report may result in fines and/or loss of certification.
15. Separate notification is required for changes in company information -- i.e. name, address, telephone number, contact names, sale or purchase of Company, corporate structure.
16. Do not fold forms.
17. Contact the Office of Regulatory Staff at (803) 737-0800 if you have questions about this form or the requirements for a water or wastewater utility.

## Schedule 100. IMPORTANT CHANGES DURING THE YEAR

Provide written responses for each of the items listed below. Make the written statements clear and brief. A response must be given for each item. However, if the word "none" is an accurate response, it may be used as such. Similarly, if information is given elsewhere in the report which would serve as a response to an item, reference that information in the space provided.

1. Have you had changes or additions to franchise rights? If so, describe (a) the actual payment given in exchange for the franchise rights, and (b) from whom acquired. If acquired without payment, state that fact.

None

2. Have any of the following occurred -- acquisition of other companies, or reorganization, merger or consolidation with other companies? If so, give names of companies involved, details concerning the transactions, and reference to Commission authorization, including docket numbers.

None

3. Have any of the following occurred -- purchase or sale of operating units, such as sources, treatment and storage facilities, transmission and distribution systems, or similar occurrences? If so, specify items, parties, effective dates and also reference the Commission authorization, including docket numbers.

None

4. Have any leaseholds been acquired, given, assigned, or surrendered? If so, give the effective dates, lengths of terms, names of parties, rents, Commission authorization, (docket numbers), if any, and other conditions.

None

5. Have there been any extensions of service territories? If so, include the Commission authorization (docket numbers), that give the location of the new service territory covered by distribution system and the dates of beginning operations. Give the number of customers by class; for each class, give the number of customers estimated with regard to annual revenues for the new territories.

None

6. What is the estimated increase or decrease in annual revenues due to rate changes, (cite docket numbers), and the approximate extent to which the increase or decrease is reflected in revenues for the reporting year?

None

7. Have there been any wage scale changes? If so, show the dates of changes, the effect on operating expenses for the year, and estimated annual effect of the wage scale changes on operating expenses.

None

8. Have there been any obligations incurred or assumed by you, the respondent, as guarantor for the performance by another of any agreement or obligation -- excluding ordinary corporate bonds maturing on demand or not later than one year after date of issue? If so, give the Commission authorization, (docket number), if any.

None

9. Have there been any changes in articles of incorporation or amendments to charters? If so, explain the nature and purpose of these changes or amendments. Note any filing with the Commission.

None

10. Other changes not provided for elsewhere.

None



## Schedule 110. DEFINITIONS

**"Accounts"** means the accounts prescribed in the NARUC System of Accounts.

**"Amortization"** means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, which may be over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

**"Book Cost"** means the amount at which property is recorded in the applicable account without deduction of related provisions for accrued depreciation, amortization, or for other purposes.

**"Class A"** for water utilities means a utility having annual water operating revenues of \$1,000,000 or more.

**"Class B"** for water utilities means a utility having annual water operating revenues of \$200,000 or more but less than \$1,000,000.

**"Class C"** for water utilities means a utility having annual water operating revenues of less than \$200,000.

**"Control"** (including the terms; "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliated companies, contract or any other direct or indirect means.

**"Cost"** means the amount of money actually paid for property or service. When the consideration given is other than cash, the value of such consideration shall be determined on a cash basis.

**"Debt Expense"** means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen or marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

**"Depreciation"**, as applied to depreciable utility plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of the utility plant in the course of providing service. This includes causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of regulatory bodies.

**"Distribution Mains"** means any pipes whose primary purpose is to distribute treated water throughout a community, and whose components include arterial or primary feeders, secondary feeders, and the distribution grid works.

**Schedule 110. DEFINITIONS**  
**(Continued)**

**"Investment Advances"** means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

**"Minor Items of Property"** means the associated parts or items of which retirement units are composed.

**"Net Salvage Value"** means the salvage value of property retired less the cost of removal.

**"Nominally Issued"**, as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, or issued directly to trustees of sinking funds in accordance with contractual requirements.

**"Original Cost"**, as applied to utility plant, means the cost of such property to the person first devoting it to public service.

**"Property Retired"**, as applied to utility plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been permanently withdrawn from service.

**"Replacing or Replacement"**, when not otherwise indicated in the context, means the construction or installation of utility plant in place of property retired, together with the removal of the property retired.

**"Retained Earnings"** means the accumulated net income of the utility less distributions to stockholders and transfers to other capital accounts, and other adjustments.

**"Salvage Value"** means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

**"Straight-Line Remaining Life Method"**, as applied to depreciation accounting, means the plan under which the service value of property is charged to operating expenses (and to clearing accounts if used), and (accounts if used), and credited to the accumulated depreciation account through equal annual changes during its service life. "Remaining Life" implies that estimates of the future life and salvage shall be reexamined periodically and that depreciation rates will be corrected to reflect any changes in these estimates.

**"Supply Main"** means any main, pipe, or aqueduct or canal whose primary purpose is to convey raw untreated water from one unit to another unit in the source of supply and pumping plant, and to the water treatment equipment.

**"Transmission Main"** means any pipes whose primary purpose is to convey treated water from the water treatment equipment or pumping station to the distribution system serving a community and generally provides no service connections with customers.

**"Utility"**, as used herein and when not otherwise indicated in the context, means any public utility to which the uniform system of accounts is applicable.

South Atlantic Utilities  
(Company Name)

FOR THE YEAR ENDED 2006

Schedule 120. EXECUTIVE SUMMARY

1. IDENTIFICATION (legal title)

PSC/ORS No.	(leave blank)	Federal ID No.
Check Business Structure & Indicate Date	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Corporation S-B-S 1970
Name of Company:	South Atlantic Utilities, Inc.	
Doing Business As:	South Atlantic Utilities	
Street Address:	621 Stephenson Ave	
City:	State:	Zip Code:
Savannah	GA	31405
Mailing Address:	PO Box <del>13705</del> 13705	
City:	State:	Zip Code:
Savannah	GA	31416
Telephone No. (Include Area Code):	(912) 352-9339	

(a) State whether any change was made in the name of the respondent during the year. If so, state the changes and the dates when they were made. NONE

(b) State whether the respondent is a firm or partnership. If a partnership, give the names of the partners and the proportion of their respective interests. Corporation Sub-S

(c) State the kinds of business, other than Water Utility, in which the respondent was engaged at any time during the year. If none, state that fact. NONE

(d) Give the names and office addresses of the Board of Directors, if any, of the respondent at the close of the year, as well as the dates of expiration of their respective terms. If any person abandoned, resigned from, or was removed from a directorship during the year, give full details in a footnote. If the organization was a partnership, give the names of the partners and designate them as such.

Name of Director	Office Address	Term Begins	Term Ends
Thomas A. Smith Jr	621 Stephenson Ave	1970	
Mark V. Smith	"	1980	
Donald S. Smith	"	1980	
Thomas A. Smith III		1980	

# South Atlantic Utilities Inc. FOR THE YEAR ENDED 2006

(Company Name)

## Schedule 120. EXECUTIVE SUMMARY (Continued)

(e) Give the titles of all officers of the respondent at the close of the year, the names of persons holding the offices at year end, and the date when each originally assumed the duties of the office. If any person abandoned, resigned from, or was ousted from any office during the year, give full details in a footnote.

Title of Officer	Name of Person Holding Office	Office Address	Date of Entry Entry
President	Mark V. Smith	621 Stephenson Ave	
Vice-President	Donald S. Smith		
Secretary	Thomas A. Smith		
Treasurer	Jacqueline Watson		
Gen. Manager or Supt.			

(f) Give the date of incorporation of respondent and the name of the state or territory under whose laws the incorporation was organized.

1970 State of Georgia

\*Use the initial word "the" when (and only when) it is a part of the name. If an individual, give full name.\*

### 2. CONTACT (for purpose of this report)

Contact Name: <u>Anthony DAgullo</u>	
Title: <u>Manager</u>	Telephone: <u>(912) 352-9339</u>
Email Address: <u>tong.dagullo@yahoo.com</u>	Fax No.: <u>(912) 355-4466</u>

### 3. MAILING ADDRESS (if different from above)

Mailing Address: <u>PO Box <del>60205</del> 13705</u>		
City: <u>Savannah</u>	State: <u>GA</u>	Zip Code: <u>31411</u>

South Atlantic Utilities Inc.

FOR THE YEAR ENDED 2006

(Company Name)


## Schedule 130. TECHNICAL SUMMARY

### GENERAL INFORMATION

Submit a copy of the Company's latest DHEC quality of service letter/report with this annual report.

### PHYSICAL DESCRIPTION:

Detailed general description of water system:

 Generally T-shaped water system with a well at the base of the "T". The ~~stem~~ trunk of the T is a 3" PVC main with each arm being 2" or 1 1/2" PVC.

Number of wells in use: 1 Number of tanks in use/size: 5,400 US Gallons

Raw water reservoir capacity: N/A

Settling basins - number and size: N/A

Equipment - description and make: Summerside 10hp electric motor with Gould Pump - 10hp

Is fire protection provided by system? No

Number of fire hydrants in use: 0

Kind of Pipe (Cast Iron, Galvanized Iron, Coated Steel, etc.)	Diameter of Pipe (inches)	Beginning of Year (feet)	Removed / Abandoned (feet)	End of Year (feet)
PVC	3"	600	N/A	600
	2"	1000		1000
	1 1/2"	1000		1000
	3/4"	500		500

**Schedule 130. TECHNICAL SUMMARY  
(Continued)**

**SERVICES AND METERS**

Size and Description	Owned by Utility				Owned by Customers end of Year
	Beginning of year	Added	Retired or Abandoned	End of Year	
Meters in use and in stock					
3/4"	24	3		27	0
1"					
1 1/4"					
1 1/2"					
1 3/4"					
2"	1	0		1	
other size					
Total Meters in use and in stock				28	
Meters in stock only - all sizes	1,500				
Services in use (feet)					
Iron pipe	0				
Lead and copper pipe	0				
Total services in use (feet)	250			366	
Services not in use (feet)					
Iron pipe	0			0	
Lead and copper pipe	0			0	
Total services not in use (feet)	0			0	
Total Services (feet)	250			300	

**TREATMENT:**

Is water purified? No

Method used (sedimentation, slow or fast sand filtration, chemical, aeration, or other): N/A

Dimensions, sizes, and 24-hour capacities of sand filtration beds: N/A

Coagulants used: N/A

Sterilization treatment used: N/A Chlorination

Is water fluoridated? No

Is water softened? No

Method used: N/A

South Atlantic Utilities Inc. FOR THE YEAR ENDED 2006  
(Company Name)

**Schedule 130. TECHNICAL SUMMARY**  
**(Continued)**

**SERVICE AREA AND CUSTOMER DATA:**

Area and/or subdivisions served by water system: May River Plantation Subdivision  
Bluffton, S.C.

Total number of residential customers at the end of the fiscal or calendar year:  
Total number of commercial customers at the end of the fiscal or calendar year:  
Total number of industrial customers at the end of the fiscal or calendar year:  
Total number of customers at the end of the fiscal or calendar year:

72 persons - 27 connections  
0  
0  
07

(Company Name)

**Schedule 200. COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	<b>UTILITY PLANT</b>			
2	101 Utility Plant in Service (Schedule 201)	2968835	2638331	330504
3	102 Utility Plant Leased to Others			
4	103 Property Held for Future Use			
5	104 Utility Plant Purchased or Sold			
6	105 Construction Work in Progress			
7	106 Completed Construction not Classified			
8	<b>Total Utility Plant</b>	2968835	2638331	330504
9	<b>ACCUMULATED DEPRECIATION</b>			
10	108.1 Utility Plant-in-Service (Schedule 202)	1175406	1075194	100412
11	108.2 Utility Plant Leased to Others			
12	108.3 Property Held for Future Use			
13	<b>Total Accumulated Depreciation</b>	1175406	1075194	100412
14	<b>ACCUMULATED AMORTIZATION</b>			
15	110.1 Utility Plant in Service			
16	110.2 Utility Plant Leased to Others			
17	<b>Total Accumulated Amortization</b>			
18	<b>UTILITY PLANT ADJUSTMENTS</b>			
19	114 Utility Plant Acquisition (Schedule 203)			
20	115 Accumulated Amortization of Utility Plant Acquisition (Schedule 203)			
21	116 Other Utility Plant			
22	<b>Total Utility Plant Adjustments</b>			
23	<b>TOTAL NET UTILITY PLANT</b>	1793229	1563137	230092
24	<b>OTHER PROPERTY AND INVESTMENTS</b>			
25	<b>OTHER PROPERTY</b>			
26	121 Non-Utility Property	587107	536331	50776
27	122 Accumulated Depreciation and Amortization of Non-Utility Property	131904	51341	80563
28	<b>Total Other Property</b>	455203	484990	(29787)
29	<b>INVESTMENTS</b>			
30	123 Investments in Associated Companies			
31	124 Utility Investments			
32	125 Other Investments	163459	164077	(100618)
33	126 Sinking Funds			
34	127 Other Special Funds			
35	<b>Total Investments</b>	163459	164077	(100618)
36	<b>TOTAL OTHER PROPERTY AND INVESTMENTS</b>	2311891	2212204	99687



(Company Name)

**Schedule 200. COMPARATIVE BALANCE SHEET (Continued)**  
**ASSETS AND OTHER DEBITS**

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	<b>CURRENT AND ACCRUED ASSETS</b>			
2	131.1 Cash on Hand			
3	131.2 Cash in Bank	22,482	35,334	(12,854)
4	132 Special Deposits (Interest and/or Dividends)			
5	133 Other Special Deposits		46,500	(46,500)
6	134 Working Funds			
7	135 Temporary Cash Investments			
8	141 Customer Accounts Receivable			
9	142 Other Accounts Receivable	1,824		1,824
10	143 Accumulated Provision for Uncollectible Accounts-Credit			
11	144 Notes Receivable			
12	145 Accounts Receivable from Associated Companies			
13	146 Notes Receivable from Associated Companies			
14	151 Plant Material and Supplies			
15	152 Merchandise			
16	153 Other Material and Supplies			
17	161 Stores Expense			
18	162 Prepayments			
19	171 Accrued Interest and Dividends Receivable			
20	172 Rents Receivable			
21	173 Accrued Utility Revenues			
22	174 Miscellaneous Current and Accrued Assets			
23	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	24,306	81,836	(57,530)
24	<b>DEFERRED DEBITS</b>			
25	181 Unamortized Debt Discount and Expense			
26	182 Extraordinary Property Losses			
27	183 Preliminary Survey and Investigation Charges			
28	184 Clearing Accounts			
29	185 Temporary Facilities			
30	186.1 Deferred Rate Case Expense			
31	186.2 Other Deferred Debits			
32	186.3 Regulatory Assets			
33	187 Research and Development Expenditures			
34	190.1 Accumulated Deferred Federal Income Taxes			
35	190.2 Accumulated Deferred State Income Taxes			
36	190.3 Accumulated Deferred Local Income Taxes			
37	<b>TOTAL DEFERRED DEBITS</b>	-0	-0	-0
38	<b>TOTAL ASSETS AND OTHER DEBITS</b>	23,361	22,940	421

South Atlantic Utilities, Inc.

FOR THE YEAR ENDED 2006

(Company Name)

**Schedule 200. COMPARATIVE BALANCE SHEET (Continued)**  
**EQUITY CAPITAL AND LIABILITIES**

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	<b>EQUITY CAPITAL</b>			
2	201 Common Stock Issued	101600	101600	-0-
3	202 Common Stock Subscribed			
4	203 Common Stock Liability for Conversion			
5	204 Preferred Stock Issued			
6	205 Preferred Stock Subscribed			
7	206 Preferred Stock Liability for Conversion			
8	207 Premium on Capital Stock			
9	209 Reduction in Par or Stated Value of Capital Stock			
10	210 Gain on Resale or Cancellation of Treasury Stock	(22271)	(22271)	-0-
11	211 Other Paid-In Capital	158736	158736	-0-
12	212 Discount on Capital Stock			
13	213 Capital Stock Expense			
14	214 Appropriated Retained Earnings (Schedule 204)			
15	215 Unappropriated Retained Earnings (Schedule 204)	171615	168853	2762
16	216 Reacquired Capital Stock			
17	218 Proprietary Capital (for proprietorships & partnerships only)			
18	<b>TOTAL EQUITY CAPITAL</b>	409680	406918	2762
19	<b>LONG-TERM DEBT</b>			
20	221 Bonds (Schedule 205)			
21	222 Reacquired Bonds (Schedule 205)			
22	223 Advances from Associated Companies			
23	224 Other Long-Term Debt (Schedule 205)	1782653	1840622	(57969)
24	<b>TOTAL LONG-TERM DEBT</b>	1782653	1840622	(57969)
25	<b>CURRENT AND ACCRUED LIABILITIES</b>			
26	231 Accounts Payable	143864		143864
27	232 Notes Payable			
28	233 Accounts Payable to Associated Companies			
29	234 Notes Payable to Associated Companies		46500	(46500)
30	235 Customers' Deposits-Billing			
31	236.11 Accrued Taxes, Utility Operating Income, Taxes Other Than Income			
32	236.12 Accrued Taxes, Utility Operating Income, Income Taxes			
33	236.2 Accrued Taxes, Other Income and Deductions			
34	237.1 Accrued Interest on Long-Term Debt			
35	237.2 Accrued Interest on Other Liabilities			
36	238 Accrued Dividends			
37	239 Matured Long-Term Debt			
38	240 Matured Interest			
39	241 Miscellaneous Current and Accrued Liabilities			
40	<b>TOTAL CURRENT AND ACCRUED LIABILITIES</b>	143864	46500	97364

South Atlantic Utilities, Inc.  
(Company Name)

FOR THE YEAR ENDED 2006

**Schedule 200. COMPARATIVE BALANCE SHEET (Continued)  
EQUITY CAPITAL AND LIABILITIES**

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	<b>DEFERRED CREDITS</b>			
2	251 Unamortized Premium on Debt			
3	252 Advances for Construction			
4	253.1 Other Deferred Credits, Regulatory Liabilities			
5	253.2 Other Deferred Credits, Other Deferred Liabilities			
6	255.1 Accumulated Deferred Investment Tax Credits, Utility Operations			
7	255.2 Accumulated Deferred Investment Tax Credits, Non-Utility Operations			
8	<b>TOTAL DEFERRED CREDITS</b>			
9	<b>OPERATING RESERVES</b>			
10	261 Property Insurance Reserve			
11	262 Injuries and Damages Reserve			
12	263 Pensions and Benefits Reserve			
13	265 Miscellaneous Operating Reserve			
14	<b>TOTAL OPERATING RESERVES</b>			
15	<b>CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)</b>			
16	271 Contributions in Aid of Construction (Schedule 206)			
17	272 Accumulated Amortization of CIAC (Schedule 207)			
18	<b>TOTAL NET CIAC</b>			
19	<b>ACCUMULATED DEFERRED INCOME TAXES</b>			
20	281 Accelerated Amortization			
21	282 Liberalized Depreciation			
22	283 Other			
23	<b>TOTAL ACCUMULATED DEFERRED INCOME TAXES</b>			
24	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>	2336197	2294040	42157

(Company Name)

**Schedule 201. UTILITY PLANT-IN-SERVICE - Account No. 101**

All amts included in accts for utility plant acquired as an operating unit or system shall be stated at a cost incurred by the person who first devoted the property to utility service.

Line No.	Account Number and Title (a)	Previous Year-End Balance (b)	Additions (c)	Retirements (d)	Adjustments +/- (e)	Current Year-End Balance (f)
1	<b>.1 INTANGIBLE PLANT</b>					
2	301.1 Organization					
3	302.1 Franchises					
4	339.1 Other Plant and Miscellaneous Equipment					
5	<b>Total Intangible Plant</b>					
6	<b>.2 SOURCE OF SUPPLY AND PUMPING PLANT</b>					
7	303.2 Land and Land Rights					
8	304.2 Structures and Improvements					
9	305.2 Collecting and Impounding Reservoirs					
10	306.2 Lake, River and Other Intakes					
11	307.2 Wells and Springs					
12	308.2 Infiltration Galleries and Tunnels					
13	309.2 Supply Mains					
14	310.2 Power Generation Equipment					
15	311.2 Pumping Equipment					
16	339.2 Other Plant and Miscellaneous Equipment					
17	<b>Total Source of Supply and Pumping Plant</b>					
18	<b>.3 WATER TREATMENT EQUIPMENT</b>					
19	303.3 Land and Land Rights					
20	304.3 Structures and Improvements					
21	311.3 Pumping Equipment					
22	320.3 Water Treatment Equipment					
23	339.3 Other Plant and Miscellaneous Equipment					
24	<b>Total Water Treatment Equipment</b>					
25	<b>.4 TRANSMISSION AND DISTRIBUTION PLANT</b>					
26	303.4 Land and Land Rights					
27	304.4 Structures and Improvements					
28	311.4 Pumping Equipment					
29	330.4 Distribution Reservoirs and Standpipes					
30	331.4 Transmission and Distribution Mains					
31	333.4 Services					
32	334.4 Meters and Meter Installations					
33	335.4 Hydrants					
34	336.4 Backflow Prevention Devices					
35	339.4 Other Plant and Miscellaneous Equipment	2638331	330504			2968835
36	<b>Total Transmission and Distribution Plant</b>					
37	<b>.5 GENERAL PLANT</b>					
38	303.5 Land and Land Rights					
39	304.5 Structures and Improvements					
40	340.5 Office Furniture and Equipment					
41	341.5 Transportation Equipment					
42	342.5 Stores Equipment					
43	343.5 Tools, Shop and Garage Equipment					
44	344.5 Laboratory Equipment					
45	345.5 Power Operated Equipment					
46	346.5 Communication Equipment					
47	347.5 Miscellaneous Equipment					
48	348.5 Other Tangible Plant					
49	<b>Total General Plant</b>					
50	<b>101 TOTAL UTILITY PLANT-IN-SERVICE</b>					

**Schedule 202. ACCUMULATED DEPRECIATION OF UTILITY PLANT-IN-SERVICE**  
**Account No. 108.1**

Report below an analysis of the changes in accumulated depreciation during the year for each plant category.

Line No.	Depreciated Property Item (a)	Previous Year-End Balance (b)	Credits		Debits		Current Year-End Balance (g)
			Depreciation Expense (c)	Salvage and Other Credits (d)	Plant Retired (e)	Cost of Removal and Other Debits (f)	
1	Buildings	31673	1736				33409
2	Water Rights						
3	Reservoirs						
4	Tanks and Standpipes						
5	Wells						
6	Filter Plant	1043521	137076				1180597
7	Pumping Equipment						
8	Purification Equipment						
9	Mains						
10	Services						
11	Hydrants						
12	Meters						
13	Miscellaneous Equipment	14500	8270				22770
14	Shop Equipment						
15	General Equipment						
16	General Office Equipment	9608	23000				32608
17	Vehicles and Other Work Equipment	27233	10893				38126
18	<b>TOTAL ACCUMULATED DEPRECIATION OF UTILITY PLANT-IN-SERVICE</b>	1126535	180975				1307510

**(Company Name)**

### Account Nos. 114 and 115

### Net Plant Book Value

**Less: Net Contributions**

### Total Net Utility Plant Acquired

**Less: Purchase Price**

**Total Utility Plant Acquisition Adjustment (Account No. 114)**

**Less: Accumulated Amortization of Utility Plant Acquisition (Account No. 115)**

### TOTAL NET UTILITY PLANT ACQUISITION ADJUSTMENT

**Notes:**

(Company Name)

**FOR THE YEAR ENDED 2006**

### Account Nos. 214 and 215

12	TOTAL RETAINED EARNINGS	171615
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**Notes:**

South Atlantic Utilities, Inc.

FOR THE YEAR ENDED 2006

(Company Name)

**Schedule 205. LONG-TERM DEBT - Account Nos. 221, 222, and 224**  
(Excluding Advances from Associated Companies)

Give below the particulars indicated of the long-term debt at end of year represented by unmatured obligations issued or assumed by the Company and group entries according to accounts and show the total for each account.

Line No.	Class and Series of Obligations (a)	Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding Per Balance Sheet (e)	Interest For Year	
						% Rate (f)	Amount (g)
1	SunTrust	2006	2020	52630	1651727	Float	121786
2	Coastal Bank	2005	2009	25000	55759	Float	5607
3	Hartford	Var	2006	14795	75167	7%	4992
4	Bank South	2004	2006	19577	-0	Float	493
5							
6							
7							
8							
9							
10							
11							
12							
13							
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16							
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21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31	TOTAL LONG-TERM DEBT			112002	1782653		132878



South Atlantic Utilities, Inc.  
(Company Name)

FOR THE YEAR ENDED 2006

**Schedule 206. CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)**  
**Account No. 271**

Line No.	Description (a)	Amount (b)
1	Beginning of Year Balance	
2	Credits Added During the Year:	
3	Contributions Received from Capacity, Main Extensions and Customer Connection Charges	
4	Contributions Received from Developer or Contract Agreements in cash or property	
5	Total Credits	
6	Less: Debits Charged During the Year	
7	<b>TOTAL CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	

**Schedule 207. ACCUMULATED AMORTIZATION OF CIAC**  
**Account No. 272**

Line No.	Description (a)	Amount (b)
8	Beginning of Year Balance	
9	Debits Charged During the Year: Accruals Charged to Account 272	
10	Other Debits Charged During the Year (specify):	
11		
12		
13		
14	Total Debits	
15	Credits Added During the Year (specify):	
16		
17		
18		
19	Total Credits	
20	<b>TOTAL ACCUMULATED AMORTIZATION OF CIAC</b>	
21	<b>TOTAL NET CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	

### Schedule 300. COMPARATIVE INCOME STATEMENT REVENUES AND EXPENSES

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	<b>UTILITY OPERATING INCOME</b>			
2	400 Total Utility Operating Revenues (Schedule 301)			
3	<b>UTILITY OPERATING EXPENSES</b>	1311397	1129583	181814
4	401 Operating Expenses (Schedule 302)			
5	403 Depreciation Expenses (Schedule 303)	894539	780134	114425
6	406 Amortization of Utility Plant Acquisition Adjustments	180975	155709	25266
7	407.1 Amortization of Limited Term Plant			
8	407.2 Amortization of Property Losses			
9	407.3 Amortization of Other Utility Plant			
10	407.4 Amortization of Regulatory Assets			
11	407.5 Amortization of Regulatory Liabilities			
12	408.10 Utility Regulatory Assessment Fee			
13	408.11 Property Taxes			
14	408.12 Payroll Taxes			
15	408.13 Other Taxes and Licenses	4949	4868	81
16	409.10 Federal Income Taxes, Utility Operating Income	8104	6372	1732
17	409.11 State Income Taxes, Utility Operating Income			
18	409.12 Local Income Taxes, Utility Operating Income			
19	410.10 Deferred Federal Income Taxes			
20	410.11 Deferred State Income Taxes			
21	410.12 Deferred Local Income Taxes			
22	411.10 Provision for Deferred Income Taxes - Credit, Utility Operating Income			
23	412.10 Investment Tax Credits Deferred to Future Periods, Utility Operations			
24	412.11 Investment Tax Credits, Restored to Operating income, Utility Operations			
25	<b>Total Utility Operating Expenses</b>			
26	<b>TOTAL NET UTILITY OPERATING INCOME (LOSS)</b>	222810	182500	40310
27	<b>OTHER OPERATING INCOME (LOSS)</b>			
28	413 Income from Utility Plant Leased to Others			
29	414 Gains (Losses) from Disposition of Utility Property			
30	<b>Total Other Operating Income (Loss)</b>			
31	<b>OTHER INCOME AND DEDUCTIONS</b>			
32	415 Revenues from Merchandising, Jobbing and Contract Work			
33	416 Costs and Expenses of Merchandising, Jobbing and Contract Work			
34	419 Interest and Dividend Income			
35	420 Allowance for Funds Used During Construction (AFUDC)			
36	421 Non-Utility Income			
37	426 Miscellaneous Non-Utility Expenses	115546	114539	1007
38	<b>TOTAL OTHER INCOME AND DEDUCTIONS</b>	115546	114539	1007

**Schedule 300. COMPARATIVE INCOME STATEMENT (Continued)**  
**REVENUES AND EXPENSES**

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	<b>TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS</b>			
2	408.20 Taxes Other Than Income, Other Income and Deductions			
3	409.20 Income Taxes, Other Income and Deductions			
4	410.20 Provision for Deferred Income Taxes, Other Income and Deductions			
5	411.20 Provisions for Deferred Income Taxes, Credit, Other Income and Deductions			
6	412.20 Investment Tax Credits, Net, Non-Utility Operations			
7	412.30 Investment Tax Credits Restored to Non-Operating Income, Utility Operations			
8	<b>TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUC.</b>			
9	<b>INTEREST EXPENSE</b>			
10	427.1 Interest on Debt to Associated Companies			
11	427.2 Interest on Short-Term Debt	2718		2718
12	427.3 Interest on Long-Term Debt	132878	109039	23839
13	427.4 Interest on Customer Deposits			
14	427.5 Interest - Other			
15	428 Amortization of Debt Discount and Expense		375	(375)
16	429 Amortization of Premium on Debt			
17	<b>TOTAL INTEREST EXPENSE</b>	135596	109414	26182
18	<b>EXTRAORDINARY ITEMS</b>			
19	433 Extraordinary Income			
20	434 Extraordinary Deductions			
21	409.30 Income Taxes, Extraordinary Items			
22	<b>TOTAL EXTRAORDINARY ITEMS</b>			
23	<b>NET INCOME (LOSS)</b>	202760	187625	15135

**Schedule 301. OPERATING REVENUES**  
**Account No. 400**

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)	Average Number of Customers (e)	Gallons of Water Sold (000) omitted (f)
1	<b>WATER SALES REVENUE</b>					
2	460 Unmetered Water Revenue					
3	460.1 Residential Customers					
4	460.2 Commercial Customers					
5	460.3 Industrial Customers					
6	460.4 Public Authorities					
7	460.5 Multiple Family Dwellings					
8	Total Unmetered Water Revenue					
9	461 Metered Water Revenue					
10	461.1 Residential Customers					
11	461.2 Commercial Customers					
12	461.3 Industrial Customers					
13	461.4 Public Authorities					
14	461.5 Multiple Family Dwellings					
15	Total Metered Water Revenue					
16	462 Fire Protection Revenue					
17	462.1 Public Fire Protection					
18	462.2 Private Fire Protection					
19	464 Other Sales to Public Authorities					
20	466 Sales for Resale					
21	467 Interdepartmental Sales					
22	<b>TOTAL WATER SALES REVENUES</b>	1295447	1118433	177014	3158	
23	<b>OTHER WATER REVENUES</b>					
24	469 Guaranteed Revenues					
25	470 Forfeited Discounts					
26	471 Miscellaneous Service Revenues					
27	472 Rents from Water Property					
28	473 Interdepartmental Rents					
29	474 Other Water Revenues <i>Tap Fees</i>	15950	11150	4800		
30	<b>TOTAL OTHER WATER REVENUES</b>					
31	<b>400 TOTAL OPERATING REVENUES</b>	1311397	1129583	181814		

**Schedule 302. OPERATING EXPENSES  
OPERATION AND MAINTENANCE  
Account No. 401**

Line No.	Account Number and Title (a)	Current Year- End Balance (b)	Previous Year- End Balance (c)	Increase/ (Decrease) (d)
1	<b>SOURCE OF SUPPLY EXPENSES</b>			
2	601 Salaries and Wages - Employees			
3	610 Purchased Water			
4	615 Purchased Power			
5	616 Fuel for Power Production	115591	96445	19146
6	618 Chemicals			
7	620 Materials and Supplies			
8	631 Contractual Services - Engineering			
9	632 Contractual Services - Accounting			
10	633 Contractual Services - Legal			
11	634 Contractual Services - Management Fees			
12	635 Contractual Services - Testing			
13	636 Contractual Services - Other	18686	14588	4101
14	641 Rental of Building/Real Property			
15	642 Rental of Equipment			
16	650 Transportation Expenses			
17	658 Insurance - Workman's Compensation			
18	668 Water Resource Conservation Expense			
19	675 Miscellaneous Expenses			
20	<b>TOTAL SOURCE OF SUPPLY EXPENSES</b>	134277	111030	23247
21	<b>WATER TREATMENT EXPENSES</b>			
22	601 Salaries and Wages - Employees			
23	615 Purchased Power			
24	616 Fuel for Power Production			
25	618 Chemicals			
26	620 Materials and Supplies			
27	631 Contractual Services - Engineering			
28	632 Contractual Services - Accounting			
29	633 Contractual Services - Legal			
30	634 Contractual Services - Management Fees			
31	635 Contractual Services - Testing			
32	636 Contractual Services - Other			
33	641 Rental of Building/Real Property			
34	642 Rental of Equipment			
35	650 Transportation Expenses			
36	658 Insurance - Workman's Compensation			
37	675 Miscellaneous Expenses			
38	<b>TOTAL WATER TREATMENT EXPENSES</b>			

**Schedule 302. OPERATING EXPENSES (Continued)**  
**OPERATION AND MAINTENANCE**  
**Account No. 401**

Line No.	Account Number and Title (a)	Current Year- End Balance (b)	Previous Year- End Balance (c)	Increase/ (Decrease) (d)
1	<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>			
2	601 Salaries and Wages - Employees			
3	615 Purchased Power			
4	616 Fuel for Power Production			
5	618 Chemicals			
6	620 Materials and Supplies	103179	89655	13524
7	631 Contractual Services - Engineering			
8	632 Contractual Services - Accounting			
9	633 Contractual Services - Legal			
10	634 Contractual Services - Management Fees			
11	635 Contractual Services - Testing			
12	636 Contractual Services - Other			
13	641 Rental of Building/Real Property			
14	642 Rental of Equipment			
15	650 Transportation Expenses			
16	658 Insurance - Workman's Compensation			
17	675 Miscellaneous Expenses <i>Repairs</i>	686	4814	(4128)
18	<b>TOTAL TRANSMISSION AND DISTRIBUTION</b>	103865	94469	9396
19	<b>TOTAL OPERATION AND MAINTENANCE EXPENSES</b>	238142	205499	32643

South Atlantic Utilities, Inc.

(Company Name)

FOR THE YEAR ENDED 2006

**Schedule 302. OPERATING EXPENSES (Continued)**  
**CUSTOMER AND ADMINISTRATIVE AND GENERAL**  
**Account No. 401**

Line No.	Account Number and Title (a)	Current Year- End Balance (b)	Previous Year- End Balance (c)	Increase/ (Decrease) (d)
1	<b>CUSTOMER ACCOUNTS</b>			
2	601 Salaries and Wages - Employees			
3	615 Purchased Power			
4	616 Fuel for Power Production			
5	620 Materials and Supplies			
6	631 Contractual Services - Engineering			
7	632 Contractual Services - Accounting			
8	633 Contractual Services - Legal			
9	634 Contractual Services - Management Fees			
10	635 Contractual Services - Testing			
11	636 Contractual Services - Other	506	550	(44)
12	641 Rental of Building/Real Property			
13	642 Rental of Equipment			
14	650 Transportation Expenses			
15	658 Insurance - Workman's Compensation			
16	670 Bad Debt Expense			
17	675 Miscellaneous Expenses			
18	<b>TOTAL CUSTOMER ACCOUNTS</b>	506	550	(44)
19	<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
20	601 Salaries and Wages - Employees	13200	13200	-0-
21	603 Salaries and Wages - Officers, Directors, and Majority Stockholders	50000	50000	-0-
22	604 Employee Pension and Benefits			
23	615 Purchased Power			
24	616 Fuel for Power Production			
25	620 Materials and Supplies			
26	631 Contractual Services - Engineering			
27	632 Contractual Services - Accounting	17948	15234	2714
28	633 Contractual Services - Legal	10913	1728	9185
29	634 Contractual Services - Management Fees	116000	111200	4800
30	635 Contractual Services - Testing			
31	636 Contractual Services - Other	214302	160438	33864
32	641 Rental of Building/Real Property	41070	31264	9806
33	642 Rental of Equipment	-0-	1295	(1295)
34	650 Transportation Expenses	50662	40646	10016
35	656 Insurance - Vehicle			
36	657 Insurance - General Liability			
37	658 Insurance - Workman's Compensation			
38	659 Insurance - Other	59431	57590	1841
39	660 Advertising Expense	1400	1300	100
40	666 Regulatory Commission Expenses- Amort. Of Rate Case Exp.			
41	667 Regulatory Commission Expenses- Other			
42	675 Miscellaneous Expenses <i>See Schedule</i>	80965	70190	10795
43	<b>TOTAL ADMINISTRATIVE AND GENERAL</b>	655911	574088	81826
44	<b>401 TOTAL OPERATING EXPENSES</b>	894559	780134	114425

**Schedule 303. BASIS FOR DEPRECIATION CHARGES BY  
PRIMARY ACCOUNTS  
Account No. 403**

Line No.	Description of Property (a)	Original Cost (b)	Approved Depreciation Rates * (c)	Annual Depreciation (d)
1	Buildings + land	340741	40 SL	1736
2	Water Rights			
3	Reservoirs			
4	Tanks and Standpipes			
5	Wells	2968835	20 SL	137076
6	Filter Plant			
7	Pumping Equipment			
8	Purification Equipment			
9	Mains			
10	Services			
11	Hydrants			
12	Meters			
13	Miscellaneous Equipment	53697	5 SL	8270
14	Shop Equipment			
15	General Equipment			
16	General Office Equipment	138786	5 SL	23000
17	Vehicles and Other Work Equipment	54463	5 SL	10893
18	TOTALS	3555942		180975

\* Use Straight-line depreciation rates as approved by the Commission.  
Do not use Tax Depreciation Rates.



**SOUTH ATLANTIC UTILITIES INC  
WATER UTILITY ANNUAL REPORT  
OTHER EXPENSES  
SCHEDULE 401**

	<u>2006</u>	<u>2005</u>	<u>VARIANCE</u>
BANK FEES	1,534	516	1,018
COMPUTER EXPENSE	1,884		1,884
CONTRIBUTIONS	17,836	4,250	13,586
DUES & SUBSCRIPTIONS	456	4,095	(3,639)
MEALS & ENTERTAINMENT	17,959	25,435	(7,476)
FREIGHT	1,250		1,250
LICENSES		190	(190)
MISCELLANEOUS	620	318	302
OFFICE EXPENSE	16,557	17,169	(612)
POSTAGE	9,119	4,762	4,357
TELEPHONE	9,989	9,900	89
TRAVEL	369	3,035	(2,666)
UNIFORMS	3,412		3,412
UTILITIES	<u>          </u>	<u>520</u>	<u>(520)</u>
 TOTAL	 <u>80,985</u>	 <u>70,190</u>	 <u>10,795</u>

South Atlantic Utilities Inc.

FOR THE YEAR ENDED 2006

(Company Name)

**Schedule 400. NOTES TO FINANCIAL STATEMENTS**

Lined area for notes to financial statements.

South Atlantic Utilities, Inc. **FOR THE YEAR ENDED 2006**  
(Company Name)

**Schedule 500. CERTIFICATION**

I hereby certify that the enclosed Annual Report was prepared by me or under my supervision, that I have examined it, and that the items herein reported on the basis of my knowledge are correctly shown.	
Name: <u>Anthony D'Aguiro Jr</u>	Title: <u>Manager</u>
Signature: <u>[Signature]</u>	Date: <u>23 March 2007</u>